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Honorable Members of the Senate

Thank you for the opportunity to speak with you today about the Public Employee Benefits Act, legislation that the school community strongly supports and is long overdue.

The Public Employees Health Benefits Act is perhaps, one of the most important pieces of legislation to be brought forward because it represents serious reform to a system that is financially unsustainable in most school districts.

I am Joan Sergent, Executive Director of Tri-County Alliance for Public Education. I represent the 86 Superintendents in Wayne, Oakland and Macomb County as well as the nearly 750,000 children they serve everyday.

- As Michigan's structural deficit continues to increase and school districts struggle with mounting operational costs, now is the defining moment to provide the necessary tools to ease the burden of employee health care.
- The Public Employees Health Benefit Act will finally provide the tools to address the rising cost of health care for public schools.
- Educators have long pointed out that sky rocketing health care costs are robbing students of a quality education. Superintendents are gravely concerned that school districts annual health care costs can equate to more than \$1,000 per pupil. Health insurance rates have seen double digit increases in each of the last 7 years.
- While school districts have put forth significant efforts to reduce these costs at the local level, this legislation removes many of the barriers which often shut down local health care reform.
- Let's be very clear. School Superintendents are not seeking to diminish the benefits of their employees. Quality benefit packages are vital to attracting talented staff to work with children. The issue is not reducing benefits. The real issue is making these benefits affordable.

- SB418-421 provide savings resulting from competitive bidding, regional insurance pools, a statewide catastrophic pool and availability of experience data, resulting in more efficient and cost effective health plan administration.
- Public employers will not have to change the level of benefits for their employees or their benefit carrier. Public school employees can keep their current benefits and collectively bargain for health care benefits in the future.
- School districts can seek competitive prices for health care benefits with the release of experience data allowing them to negotiate fair premiums and identify high quality providers.
- The release of experience data is critical to districts operating from a position where they can use data as the basis of their decision-making. It is fundamental to understanding what type of coverage is needed. Availability of experience data is a common practice of all major insurance carriers and should be extended in all circumstances.

This legislation is common sense, fair reform for public employee health benefits. With crisis comes opportunity. This is the moment for legislators to stand up and be counted. This legislation is estimated to save nearly 8% on health care costs, saving millions of dollars for local schools and local government. This is significant legislation that will protect jobs, preserve benefits, and free up resources for our classrooms, goals we have discussed for too long a time. Many groups, education, business and labor have joined forces to advocate for the passage of the Public Employee Health Benefits Act. This coalition is seeking real reform, serious reform, the first of what should be many bold moves that says government has the political will to move from the status quo and put children first. TCA urges support of the Public Employee Health Benefit Act as a major step toward crucial education reform.